



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 42

Chairperson: Lavon Heidemann
Committee: Appropriations
Date of Hearing: March 8, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Over the past few years the ability of the state, counties and cities to keep up with the necessary construction and maintenance of their transportation infrastructure has been decreasing. The costs of the inputs for road construction and maintenance have seen a drastic increase over the past two years. The majority of funding to support this activity is through the motor vehicle fuel tax, but with the current cost of fuel and the daily fluctuation of the price an increase in the tax on fuel has not been an acceptable method of raising the funds to keep pace with the demand.

The cigarette tax has been used for a multitude of activities ranging from the construction of the Bob Devaney Sports Center, to funding Game and Parks activities, funding the 309 Building Task Force as well as supporting a variety of health initiatives throughout our state.

LB 42 proposes to divert the 46 cents that is currently going into the General Fund into the Highway Trust fund for five years. This funding will allow for the state, counties and cities to work towards stemming the growing list of maintenance and construction demand within their jurisdictions. Our transportation infrastructure is one of the most important assets that our State has for encouraging economic development across our great State. With the increasing demand for ethanol and the construction of numerous ethanol plants, this infrastructure around these plants will be placed under ever increasing pressure of heavy trucks resulting in earlier deterioration of the roads around these plants than was anticipated when these roads were constructed for the movement of not just people but also agricultural products moving to market.

It is not the intent of this legislation to diminish the funds currently received by Game and Parks and the Building Task Force.

Principal Introducer:

Senator Carol Hudkins